



April 28, 1999

EX PARTE OR LATE FILED

Advertising Services
100 East Big Beaver Road
Troy, MI 48063
Office 248/524-7385
Fax 248/524-7227

Michael J. Barry
Director
Public Policy

RECEIVED

APR 28 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

RE: **Ex Parte Presentation**
CC Docket No. 96-115
Subscriber List Information (SLI)

Dear Ms. Salas:

During the course of Ameritech's ex parte discussion with FCC staff members Bill Kehoe and Daniel Shiman on April 20, 1999, four questions were posed to Ameritech. These questions were as follows:

1. How would Ameritech describe a basic product that provides all existing SLI?
2. How would Ameritech describe a basic product that provides updates to existing SLI?
3. Will Ameritech's current and future systems be able to provide the products described in questions one and two?
4. Does Ameritech have any information pertaining to the costs of supplying SLI?

Ameritech would like to offer the following information in response to these questions for the Commission's consideration in these proceedings.

1. How would Ameritech describe a basic product that provides all existing SLI?

Although it is different from Ameritech's current product, Ameritech would not oppose a proposal for a "basic" product that provides all the existing listing information for the subscribers of that particular carrier. This unbundled existing SLI product should be comprised of the subscribers' listed name, listed street address, listed telephone number and a designation as to each subscriber's class of service (business or residential). Purchasers of SLI could request residential accounts only, business accounts only, or both residential and business accounts by individual NPA-NXX.¹ Output files provided to the

¹ Ameritech can also provide SLI for all the NPA-NXX combinations within an exchange, but not all other carriers may have this capability.

No. of Copies rec'd 0+2
List A B C D E



purchaser would be sequenced in alphabetical order. Further sorting, merging, application of additional selection criteria, or other enhancements to the SLI, including the merging of SLI from multiple NPA-NXX combinations, would create value added products which clearly exceed the requirements of section 222(e) of the Telecommunications Act of 1996.

Ameritech proposes the following definition for the basic product of “Existing SLI”:

Each local exchange service provider will make available to directory publishers, in alphabetical order, Existing Subscriber Listing Information (SLI) representing that service provider’s subscribers (excluding non-list and non-published numbers) for a specified NPA-NXX combination. The Existing SLI shall include for each subscriber, the subscriber’s listed name, listed street address, listed telephone number, and a business or residential class of service designation. Existing SLI will be made available for business subscribers only, residential subscribers only, or with business and residential subscribers interfiled.

Ameritech’s existing Base File Listing product differs from the proposed “basic product” definition in numerous ways, including various enhancements and additional sorting activities. Examples of the differences include:

1. Listing information from multiple NPA-NXX combinations to be merged together into a single alphabetical sequence.
2. Purchasers of Ameritech’s current SLI product may request that Ameritech perform the additional sorting required to place the SLI for residential subscribers in a sequence separate from the SLI for business subscribers within the same NPA-NXX combination(s), as part of one order.
3. For the state of Illinois, listing information may be sorted by community.
4. Upon receiving a letter of authorization from the appropriate local exchange carriers, Ameritech will interfile the other carriers’ SLI with the SLI from Ameritech’s subscribers.

2. How would Ameritech describe a basic product that provides updates to existing SLI?

Any changes that occur to Existing SLI as the result of service order activity performed by a carrier for its own subscribers should be considered updates to SLI. Updates to SLI would result from the establishment of new service, the termination of service, a transfer of service, or a change in any Existing SLI. Updates to SLI could include an indicator for the type of service order that generated the update (e.g., new service), as well as an indicator of either business or residential service. Specific information that would be found on the update would be the subscriber’s listed name,

listed street address, listed telephone number, and the yellow pages classification on orders for new service if it is acquired by the local service carrier at that time.²

Purchasers would be able to order updates to SLI for business subscribers only, residential subscribers only, or both, from within the requested NPA-NXX combinations. If both business and residential updates to SLI are purchased, they will not be segregated by class of service in the output provided to the SLI purchaser. These limitations in output sequencing are caused by the fact that service orders are not processed by either class of service or telephone number. Any further enhancements or sorting of the updates to SLI, including sorting by type of service order, would represent a value added product that would exceed the requirements of section 222(e) of the Telecommunications Act of 1996.

Ameritech proposes the following definition for the basic product of "SLI Updates":

Each local exchange service provider will make available to directory publishers Subscriber List Information (SLI) Updates that are created as the result of any service order activity which establishes, deletes or changes the SLI for a subscriber of that service provider (excluding non-list and non-published numbers). SLI Updates shall be made available within NPA-NXX combinations specified by the publisher. SLI Updates shall include the subscriber's listed name, listed street address, listed telephone number, a business or residential class of service designation, an indicator as to the nature of the underlying service order (e.g., the establishment of service, the disconnection of service, or a change in service), and any advertising classification that the local exchange carrier may designate when service is established for a new business subscriber. SLI Updates will be made available for business subscribers only, residential subscribers only, or for all subscribers.

There are no significant differences between Ameritech's current "Updates" product and the proposed definition of SLI Updates. However, Ameritech does offer a product called "New Connects" which requires additional sorting of service order activity to produce a file containing newly installed and transfer/change of address orders, used primarily as advertising sales leads. Lacking disconnect activity, New Connects cannot be used for maintaining a listing database. The additional sorting required to generate New Connects, in conjunction with their inability to be used in the maintaining of a listing database would clearly exclude this product from falling within any final definition of SLI Updates.

² Ameritech's Listing Services System receives yellow pages classifications as part of new service order activity and passes the yellow pages classifications on to directory publishers as part of the Update and New Connect products. The listing Services System, does not however retain yellow pages classification information, and is therefore unable to include that information as part of Ameritech's Base Files product.

3. Will Ameritech's current and future systems be able to provide the products described in questions one and two?

If such "basic" products are required, both Ameritech's current listing system and its planned listing systems will be able to provide the SLI products described above.

4. Does Ameritech have any information pertaining to the costs of supplying SLI?

First, Ameritech would note that there is no statutory requirement that rates for SLI be tied to cost. Subsection 222(e) refers only to "nondiscriminatory and reasonable rates". Certainly, any evaluation of the reasonableness of rates must take into account the value that the SLI purchaser receives and the alternatives that are available in the marketplace. Also, there is no hint that Congress intended a forward-looking, marginal cost standard to be imposed. It must be remembered that, under "cost-based, rate of return regulations," the commission has used an embedded, fully-distributed cost methodology to generate rates for common carrier services.

All of the cost information that has been provided to the Commission during the course of this proceeding has focused on the telephone companies' marginal cost of providing SLI to other directory publishers. Ameritech believes this approach is fundamentally flawed in that it requires the telephone company and its rate payers to absorb the entire costs of the software, hardware, programmers and overhead associated with operating and maintaining a listing system. As in most data processing operations, these costs are far larger than the costs associated with simply furnishing the information on an incremental basis. As noted above, it simply cannot be considered unreasonable to require SLI-purchasers to pay a fair share of these overhead costs.

While Ameritech does not possess a cost study that encompasses all of the appropriate costs of supplying SLI, it did perform a study in 1996 in response to the Indiana Utility Regulatory Commission's order in Cause No. 40097³. Copies of the pages from the cost study detailing the long run incremental costs of supplying White Pages Listing Information (the equivalent of what Ameritech described as a base file in its March 17, 1999 ex parte), via both magnetic tape and as camera ready reproduction pages have been included as attachments. This study includes the software, hardware, programming costs and other long term incremental expenses of supplying SLI but

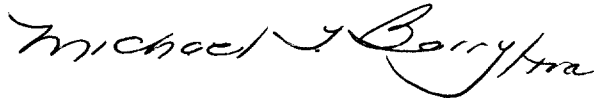
³ Order of the Indiana Utility Regulatory Commission, Cause No. 40097, dated June 21, 1996, In the Matter of the Investigation on the Commission's Own Motion Into Any and All Matters Relating to Extended Area Service, as Defined by 170 IAC 7-4 *Et Seq.*, page 15. "However, we further find that the rule should be construed to require the exchange of all listing information for all areas that can be called on a local call toll free calling basis, and that the information should be included in the directories. Further, such exchanges should be priced at cost of production, which means that the exchange of directory listings between two ILECs should be accomplished in the least expensive manner possible, which is the long-run incremental cost of: providing a magnetic tape, selling the listings at a per-listing charge, furnishing camera ready reproduction pages, or supplying bound directories."

excludes the allocation of any overhead costs or return for Ameritech. At \$0.11 per listing, the long run incremental cost of providing SLI listings approaches the cost paid by Ameritech to list providers in the marketplace for listing information which has a far lower degree of accuracy than SLI provided by a local service provider.

Obviously, there will be cost differences between each telephone company, and those differences may prove to be very significant. Thus, the Commission should be concerned that establishing a single nation-wide rate for SLI that would not permit appropriate recognition of those differences.

Should any further information be required, please feel free to contact me at (248) 524-7385.

Sincerely,

A handwritten signature in cursive script that reads "Michael J. Barry".

Michael J. Barry
Director, Public Policy

Attachments

ATTACHMENT

Proprietary Information Submitted Under Separate Cover

With Request for Confidential Treatment